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September 26, 2003

Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602
ATTN: Thomas M. Dorman, Executive Director

RECEIVED
SEP 29 2003
PUBLIC SERVICE
COMMISSION

RE: Case 2003-00228
Matrix Energy, LLC For Determination of Retail Electric Supplier

Dear Mr. Dorman:

Enclosed please find original and ten (10) copies of "Big Sandy's" Data Request for filing. As "Big Sandy's" attorney in this case, please send copies of further orders directly to my office.

Thank You.

Yours Truly,



Albert A. Burchett

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED
SEP 29 2003
**PUBLIC SERVICE
COMMISSION**

In the Matter of:

**MATRIX ENERGY, LLC)
FOR DETERMINATION OF)
RETAIL ELECTRIC SUPPLIER)**

CASE NO. 2003-00228

**DOCUMENT REQUEST OF BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") for its Document Request to "Matrix" following Testimony of Paul Horn states as follows:

Definitions

A. "Document" means every writing of every type and description in the possession, custody or control of the Petitioner, or in the possession, custody or control of any agent of the Petitioner, and shall include (without limitation) the following, whether printed, reported, filmed or reproduced by any process, or written or produced by hand, and whether an original, master or copy; letters, correspondence, communications, messages, notes, memoranda, contracts, agreements, litigation agreements, settlements, judgment, checks, canceled checks, receipts, affidavits, depositions statements, including any account statement by any bank book, records, books of account, reports, applications, summaries, minutes and record of telephone conversation, meetings and conferences(including lists of persons attending meetings or conferences),lists worksheets, financial statements, expense reports and records, summaries and records of personal conversations or interviews, manuals, publication, diaries, charts, logs, cablegram, telegrams, mailgram, income statement, balance sheet, transcription, voice recordings and transcriptions thereof plans, sketches, drawings, photographs, reports and/or summaries

investigations and/or surveys opinions and reports of consultants, opinions of counsel, reports and summaries of negotiations, brochures, pamphlets, proposals design, catalogs, catalog sheets, specifications, advertisements, circulars, invoices, work orders, purchase orders, studies and calculations, and the originals thereof or, if the original of any document is not available or is not in respondent's possession, custody or control, all copies of the original of such and all document and all copies of any document which is not identical to the original thereof or which contains any writing or notations which do not appear on the original thereof.

B. "Relating" means in any way directly relating, referring, describing, concerning, considering, constituting, containing, underlying, proposing, explaining, memorializing, confirming, modifying, amending, evidencing, certifying, representing, supporting, opposing, qualifying, terminating, revoking, canceling, negating, affirming, regarding, alluding, endorsing, or applying to, the designated subject, or relevant to the designated subject within the meaning of Rule 26.02(1) of the Kentucky Rules of Civil Procedure.

C. These requests are continuing in character, so as to require supplementary answers if you obtain further or different information before trial. Where the name or identify of persons is requested, please state the full name, home address and also business address and telephone number, if known. Unless otherwise indicated, these requests refer to the time and place and circumstance of the occurrences mentioned or complained of in the pleading. Where documents or information in the possession of a party is request, such request includes documents or information of the party's agent, representative, or unless privileged, their Attorney.

1. With reference to paragraph #3 of "Testimony of Paul Horn", please produce a copy of all written documents which relate to the statement that, "Matrix" and "Czar" are affiliated companies with "Beech Fork". Please include ARTICLES OF INCORPORATION, BY-LAWS and minutes of Directors meeting from Jan. 2001 to date for each legal entity. Also include a copy of your job description.

2. With reference ro paragraph of #4 of "Testimony of Paul Horn", please produce a copy of all written documents which relate to the statement that, "Matrix is affiliated with Beech Fork"; "Matrix and Beech Fork are owned by the same individuals"; "Matrix is a contract mining company for Czar"; "I have been assigned to work on the Matrix project".

3. With reference to paragraph #5 of "Testimony of Paul Horn", please produce a copy of all written documents which relate to the statement that, "...Czar entered into a contract with Matrix to perform the actual mining operation. Beech Fork provides the engineering services to Matrix and Czar and its other affiliates".

4. With reference to paragraph #6 of "Testimony of Paul Horn", please produce a copy of all written documents which relate to the statement that, "... The Alma coal seam to be mined by Matrix is between 400 and 1,000 feet below ground surface. The mine.. able coal seam is between 30 and 54 inches thick, and contains approximately 50 millions tons of coal, in place. Czar already has the mining rights to mine all of these reserves, and Matrix, as the contract miner, has the right to mine them".

5. With reference to paragraph #7 of “ Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that. “Seventy-Five (75%) of the total mineable coal reserves in the Alma coal seam to be mined by Matrix are located in the service territory of AEP and Seventy-Six (76%) of the total permitted mineable coal reserves of the Alma coal seam are located in the service territory of AEP. Twenty-Five (25%) of the total mineable coal reserves in the Alma coal seam to be mined by Matrix are located on the service territory of Big Sandy and Twenty-Four (24%) of the total permitted mine able coal reserves of the Alma coal seam are located in the service territory of Big Sandy”.

6. With reference to paragraph #8 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “The boundary of the coal reserves was still being determined during the permitted process”.

7. With reference to paragraph #9 of “Testimony of Paul Horn” , please produce a copy of all written documents which relate to the statement that, “...Matrix intends to mine all of the coal reserves at the Czar mine site and will obtain the necessary permit to do so. All of these reserves are considered to be part of the Matrix mine. The mine would not be economically feasible if only the currently permitting reserves were to be mined”.

8. With reference to paragraph #11 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “... The six coal seams that have been previously mined by other unrelated and related companies operating on what is now referred to as the Czar mine site are the 5 Block coal seam, the Clarion coal seam, the Stockton coal seam, the Coalburg coal seam, the Haddix coal seam and the Taylor coal seam. These coal seams were located at shallower depths than the Alma coal

seam to be mined by Matrix. AEP provided the electric power for the mining to these coal seams”.

In addition, please provide “Power Distribution” maps for each coal seam.

9. With reference to paragraph #14 of “Testimony of Paul Horn”, please produce a copy of all written documents which related to the allegation that “Big Sandy stated in the meeting that its capacity was full and that it did not have the capacity to service any new load in this area. This lack of capacity is evidence by the letter dated September 6, 2001, forwarded by Big Sandy to AEP to provide temporary power during construction. Big Sandy’s representatives indicated that it would take approximately one year for Big Sandy to provide electric service to the mine entrance and indicated that Beech Fork could get temporary power from the Czar mine site, which was being served by AEP, to start the development of the slope entrance and ventilation shaft to the mine, which would take approximately one year. Big Sandy indicated that it would have to determine if it would obtain power from the AEP transmission lines on the Czar mining site or from EKPs transmission line near the Thunder Ridge race track. The race track is approximately four miles from the mine site”.

10. With reference to paragraph #15 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “... During the January 2002 meeting with representatives of Big Sandy and EKP, verbal authorization was given to representatives of Beech Fork to extend the AEP power line to the proposed mine entrance because of the one year delay in providing power and the lack of capacity of Big Sandy’s current infrastructure.” “... a letter from Big Sandy authorizing Beech Fork to obtain power from AEP to build the entrance to the Matrix mine”. “... this letter confirms

that Big Sandy did not have the ability to provide power to the Matrix mine site for construction purpose”.

11. With reference to paragraph #16 of “ Testimony of Paul Horn,” please produce a copy of all written documents which relate to the statement that, “... The construction of the slope entrance by Matrix began on November 11, 2002. Air operated hand held drills were used to drill holes for the explosives and after detonation, air powered muckers were used to remove the debris. The air power was supplied by two electric 200 horse power air compressors. The 400 hundred power hoist used to remove the debris from the mine was placed in operation on November 21, 2002. The second shift of this operation was placed into operation on December 30, 2002. Thereafter, the operation continued for 20 hours a day, 7 days a week, with the exception of an approximately two week period due to equipment breakdowns. The construction of the ventilation shaft began in February of 2003. However, a diesel powered crane and diesel powered air compressors were used to dig the first 100 feet of the ventilation shaft. Thereafter, beginning on April 21, 2003, the same process that was used to dig the slope mine was also used to construct the ventilation shaft. Again, two electric 200 horse power air compressors were used to provide the air to the air tools. The 350 horse power hoist used to remove the debris from the ventilation shaft was placed in operation on May 2, 2003. The second shift of this operation was placed into operation on May 5, 2003. A 50 horse power fan was located at both the entrance to the slope mine and the ventilation shaft. Electric power was also provided to the small office trailers located at both the slope mine entrance and the entrance to the ventilation shaft...”

12. With reference to paragraph #17 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “... One of the power lines to the Czar mine site was extended to the mouth to the Matrix mine...”. Which one?

13. With reference to paragraph #18 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “... Matrix is concerned that it will experience approximately a ten percent (10%) loss in power to the mouth of the mine due to the 1.6 mile length to the line to the mouth of the mine. This loss in power, in conjunction with the power loss as the electric lines are extended underground may endanger the electric motors used by Matrix in the mine. AEP has indicated that it will construct a substation adjacent to the 69 kv transmission line, supply 35.5 kv from this substation to a 12,470 volt substation built at the mouth of the mine. This will help to avoid the loss of power and the potential damage to the electric motors used by Matrix. AEP has also offered to allow Matrix the option of constructing the line from the 34.5 kv substation to a 12, 470 volt substation at the mouth of the mine, as well as building these two substations...”

14. With reference to paragraph #19 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “... The coal preparation plant for the Matrix coal mine is located on the Czar mining site and the power to the coal preparation plant is provided by AEP. The coal will initially be transported from the coal stockpile area by truck, and after approximately one-half to one year, a series of three(3) connected conveyor belts, with a total length of approximately 13,050 feet, will be used to transport the coal to the Czar preparation plant. Of these three (3) connected belts, only the first belt will be supplied with power from motors located in AEP’s territory. The

remaining two belts will be supplied with power from motor's located in AEP's territory. These two belts are approximately 11,734. feet long".

15. With reference to paragraph #20 of "Testimony of Paul Horn", please produce a copy of all written documents which relate to the statement that, "... All of the equipment operated by Matrix in the mine will have to be electric powered. Matrix will operate continuous miners (995 volts), shuttle cars (480 volts), roof bolters (480 volts), feeders (480 volts), belt drive (480 volts), and a scoop, battery operated, which is charged by 480 volts. The primary cause of damage to this equipment is reductions or surges in electric power. The need to provide consistent reliable power to the mine is the reason that Matrix needs the 12,470 volt substation to be built at the mine".

16. With reference to paragraph #21 of "Testimony of Paul Horn", please produce a copy of all written documents which relate to the statement that, "...Matrix estimates that it will require approximately 3,000 kw to be supplied to the Matrix mine per month". The calculations are as follows:

Big Sandy's charge:

Demand cost:	$\$5.39 \times 3,000 \text{ kw} = \$16,170.00$
Energy Charge:	$1,275.00 \text{ kwh} \times \$0.0277 = \$35,317.50$
Fuel Cost Adjustment:	$1,275.00 \text{ kwh} \times \$0.00627 = \$7,994.25$
Service Charge	\$150.00

Total cost per month: \$59,631.75

AEP's charge:

Demand Cost:	$\$8.51 \times 3,000 \text{ kw} = \$25,530.00$
Energy Charge:	$1,203,120 \text{ kwh} \times 0.01171 = \$14,088.53$ (No minimum kwh in tariff)
Fuel Cost:	\$488.59
Environment adjustment:	\$902.67
Service Charge:	\$662.00

Total Cost per Month: \$41,671.79

This calculation assumes that Big Sandy will only serve two sections of the Matrix mine, which will be completed within seven (7) years, and AEP will serve the remaining two sections of the Matrix mine through the boreholes. If the entire project is served by Big Sandy, the cost would be based on four (4) sections, and Big Sandy's cost would be approximately six million (\$6,000,000.00) more than AEP's cost over the life of the Matrix mine ...”

17. With reference to paragraph #22 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “...Matrix plans to install three boreholes in to Matrix mine. All three boreholes will be in territory served by AEP, and will be used to allow power lines to be fed down to the mine to provide power to the equipment operating at large distances from the mine entrance. This will eliminate the power loss that would otherwise occur. Since these boreholes are in AEP's territory, AEP will provide the power to the electric line in each of the boreholes...”

Also with regard to this statement, please produce a copy of all written documents relating to the projected dates of using each borehole, and the projected power loads of the electric lines in each of the boreholes.

18. With reference to paragraph #23 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “...By having AEP provide power to the mine, if there is a blackout or brownout condition, Matrix will know to contract only one electric company to discover the reason for the blackout or brownout condition and will not have to wait for Big Sandy to contract EKP, and then for EKP to

contract AEP to inform it of the problem, determine the cause of the problem and to solve the problem. Furthermore, there will not be more than one company providing power to the mine, which would be the case if AEP provides the power through the boreholes and Big Sandy provided the power through the mine entrance. A single service provider is an important safety factor because when power to the mine fails, there is never any doubt about whether certain equipment is energized. This is a very serious concern because part of the mine could be energized and part of the mine not be energized, thus, someone may mistakenly think the entire mine is without electricity and come into contact with an energized line ...”

19. . With reference to paragraph #24 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “...If AEP is allowed to serve the Matrix mine, a 34.5 kv line will be run from the substation adjacent to the 69 kv transmission line to the entrance of the mine. As the mine is developed, the electric lines for three boreholes, which are located in AEP territory, could be run off the AEP 34.5 kv line. However, if Big Sandy provides 34.5 kv service to the mine entrance through EKP, this 34.5 kv line would not be allowed to be run to the three boreholes in AEP’s territory. Therefore, an additional substation adjacent to the 69 kv transmission line or the 138 kv transmission line would have to be installed and a power line run from this new substation to the three boreholes. Furthermore, if Big Sandy provides service to the mine, then Big Sandy, EKP and AEP would be involved instead of just AEP ...”

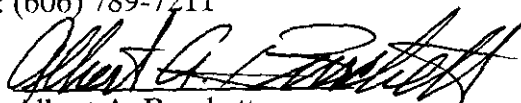
20. With reference to paragraph #25 of “Testimony of Paul Horn”, please produce a copy of all written documents which relate to the statement that, “...AEP indicated that the service to the mine entrance could be provided in approximately six (6) months...”

Respectfully Submitted,

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By:



Albert A. Burchett

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Document Request
was served by First Class Mail, postage prepaid, on September 26, 2003 upon:

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